

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.¹) Case No. 01-01139 (JKF)
) (Jointly Administered)
Debtors.) Re: Docket No. 12432
) 8/21/06 Agenda Item No. 4

**CERTIFICATION OF COUNSEL REGARDING AMENDED ORDER
APPROVING AMENDED SETTLEMENT AGREEMENT
AND MUTUAL RELEASE WITH LLOYD'S UNDERWRITERS**

1. On May 15, 2006, the Debtors filed their Motion ("Motion") for an Order Approving the Settlement Agreement and Mutual Release With Lloyd's Underwriters ("Settlement Agreement").
2. Certain parties objected to the Motion and the Debtors have engaged in extensive discussions with those parties in an attempt to resolve those objections.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

3. As a result of those discussions, the Debtors have amended the Order approving the Motion and the Settlement Agreement in an attempt to address the objections. Copies of the amended Order and amended Settlement Agreement² (the "Proposed Order") are attached hereto as Exhibit 1. A blackline version of the amended Order and amended Settlement Agreement are attached hereto as Exhibit 2.

4. Despite numerous discussions, the provision of voluminous supporting materials to the objectors and the amendments made to the Settlement Agreement, the parties were not able to resolve all of their issues.

5. The Debtors believe that the amended Settlement Agreement adequately addresses the objections and its approval is in the best interest of the Debtors' and their estates.

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² The Debtors hereby attach the amended Settlement Agreement and a black-line which compares the amended Settlement Agreement to the Settlement Agreement filed with the Motion.

6. As a result, the Debtors hereby request entry of the Proposed Order at the Court's earliest convenience.

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